



NEWS RELEASE

CALIFORNIA STATE TREASURER PHIL ANGELIDES

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Golden State ScholarShare Trust Program Accounts Surpass 100,000 *Treasurer Angelides Announces Accounts up by 81 Percent in Past Year*

SACRAMENTO – State Treasurer Phil Angelides today announced that the Golden State ScholarShare Trust, California’s tax-free college savings program, has reached the 100,000-account milestone, with enrollment up 81 percent since December 31, 2001. Qualified withdrawals on ScholarShare accounts are now tax-free due to recent changes in state and federal law.

“ScholarShare’s tax-free status now allows all of a family’s savings to be used for college expenses – stretching dollars further at a time when tuition is soaring,” said State Treasurer Phil Angelides.

In addition to its state and federal tax-free status, ScholarShare’s increasing popularity is attributed to the flexibility for students to use the savings at most accredited colleges throughout the United States and the program’s low minimum investment requirement of only \$25.

Assets soared, along with enrollment, during 2002 — from \$275,149,205 on December 31, 2001 to \$554,875,019 on January 29, 2003 — representing an increase of 101.6 percent.

ScholarShare is an IRS Code Section 529 plan. Funds are invested in low-cost, professionally managed stock, bond and money market mutual funds, and grow on both a federal and state tax-free basis. The funds are highly flexible and may be used for qualified expenses at any eligible education institution in the U.S., including vocational and technical schools, and can be transferred between family members.

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